## Weissmann, Wolff, Bergman, Coleman, Silverman & Holmes, LLP

A Limited Liability Partnership Industing Probational Corporations

April 24, 2001

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OSSA Wilelatro Headerwei Anther 900 Beverly Hills Calkfurnia 902/3-8945 Telephone: (\$100 966-7886 Then (\$10) 666-7191

Flows Rater To

Via Facsimile and Federal Express 202-366-7882

018-018 @

10555.5

Kelly Schuler
Defects Analyst
National Highway Traffic
Safety Administration
Office of Defects Investigation
400 Seventh Street, SW NSA-11
Washington, DC 20590

Re: Advanced Engine Management ("AEM")

Part 573 Report for Air Bypass Valve, Model Nos. 20-401, 20-452, 20-403

#### Dear Kelly:

Per our conversation, enclosed please find a completed 573 defect report for the Advanced Engine Management ("AEM") Air Bypass Valve, Model Nos. 20-401, 20-402, 20-403, as well as enclosed drafts of a letter to vendors and a letter to retail customers/consumers for your review. As we discussed, although we are not required to submit a press release, we have also included a release for your review as well.

We would like to begin sending the notices out as soon as possible; therefore, I would greatly appreciate a response as soon as possible.

Please do not hesitate to call me with any questions. I look forward to hearing from you.

1/2-

Askley Merryman, Est

truly yours.

Enclosures (4)

cc: Abraham Rudy, Esq.

# Safety Defect and Noncompliance Report Guide for Equipment PART 573 Defect and Noncompliance Report<sup>1</sup> OIE-018 (03) On April 17 , 2001, Advanced Engine Management ("APM") defect which relates to meter vehicle selety)(a nencompliance with Federal Motor Vehicle Safety Standard No. n/a \_\_\_\_) exists he Rome of motor vehicle equipment listed below, and is fundablen notification to the National Highway Truffic Sofety Administration in accordance with 49 CFR Part 573 Defect and Noncompliance Reports. Date this report was prepared: \_\_\_\_April 23, 2001 Furnish the magnificturer's identification code for this recall (if applicable) 20-401: 20-402: 20-403 1. Identify the full corporate means of the fabricating manufactures/brand name/trademurk owner of the recalled item of equipment. If the recalled item of equipment is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. \$30164. Advanced Engine Management, Inc. ("AEM") 2205 126th Street, Unit A Hawthorne, Calif. 90250 Identify the corporate efficial, by name and title, whom the agency should contact with respect to this recall. Greg Neuwirth, Secretary, through counsel: Abraham M. Rudy, Esq. Weissmann, Wolff, Bergman, Coleman, Silverman & Holmes, 9665 Wilshire Blvd., Ste. 900 Beverly Hills CA 90212 Fax No.: (310)550-7191 Name and Title of Person who prepared this report. Abraham M. Rudy, Esq., Weissmann Wolff, et. al.

Signada

Abraham M. Rudy Weissmann, Wolff, et.al. Attorneys for AEM

Counsel for ARM

<sup>1</sup>Each manufacturer must furnish a report, to the Associate Administrator for Safety

Assumes, for each defect or neacompliance condition which relates to mater vehicle safety.

This guide was developed from 49 CFR Part 573, "Defect and Noncompliance Reports" and also outlines information currently requested. Any questions, please consult the complete Part 573 or contact Mr. Jon White at (202) 366-5226 or by PAX at (202) 366-7882.

### I. Identify the Recalled House of Rendoment.

2. Identify the Bount of Equipment Involved in this Recall, for each make and model or applicable from

of equipment product line (provide illustrations or photographs as necessary to describe the item of - equipment), provide: 01E-08 63 Generic mane of the home Air Bypass Valve Make: AEM Model: Air Bypass Valve Part Number: 20-401 Sine; 2.5" ID Function: Aftermarket; prevents ingestion of water into engine. Other information which characterises/distinguishes the items of equipment to be recalled: Make: ARM Model: Air Bypass Valve Part Number: 20-402 Stat: 2.75" ID Function: \_\_\_Aftermarket; prevents injestion of water into engine. Other information which characterists/distinguishes the items of equipment to be recalled: 73 - W/A : Make AEM Model: Air Bypass Valve Part Number: 20-403 Size: 3.0" ID Function: \_\_\_Aftermarket: prevents ingestion of water into engine Other information which characterises/distinguishes the items of equipment to be recalled: \_\_\_\_\_\_ Model: \_\_\_\_\_ Part Number: \_\_\_\_\_ Sinc: \_\_\_\_\_ Other information which characterises/distinguishes the items of equipment to be recalled:

licentify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Whigets equipped with certain items of equipment from Jamesry 1, 1996, through April 1, 1997, then what was the percentage of the recalled Widgets of all Widgets manufactured during that time paried.

O(E-O) 8 O(

100 % of Air Bypass Valves sold between August 2000 and January 31, 2001

## II. Identifying the Recall Population

3. Furnish the total number of times of equipment recalled potentially containing the defect or noncompliance.

Madel	Year	Number of Items Potentially Involved
20-401	2000	1182
20-402	2000	1195
20-403	2000	623
Total Number Petentially A	ffected by the Recall:	3000
4. Furnish the approximate contain the defect or nonco	percentage of the tetal number of then upliance:Up_to 100 t	a of equipment estimated to actually
ware selected and the basis	he recall population was determined in for the beginning and final dates of ma first 3000 piaces produced ma	unfacture of the recalled items of
	separation. Weld strength	was subsequently increased
from that time.	<u> </u>	
	<u> </u>	

# III. Describe the Defect or Noncomplished

OIE-018 05

	s which are
sonically welded together; however, in the defective pro-	
welded halves may come apart.	
paribo the escut(a) of the defect or nancoparitions,	
Unusually high stress loads placed at the weld seam; imp	roper installati
with other non-approved components; installation with no	n-AEM air intake
systems.	· · · · · · · · · · · · · · · · · · ·
<u></u>	
ecribe the consequence(s) of the defect or noncompliance condition.	The Rest Contract
If the valve halves separate, the valve's internal diaph	ragm and spring
may be ingested into the throttle body, which, in turn.	may cause the
throttle to stick in the open position.	
Air intake pipe will rattle / become loose. If the value cracked at the seam, but not completely separated, the	1
	THE ROLL
filter will appear deformed upon visual inspection.	•
the defect or naneompliance is in a component or essenbly perchased from a sup- police by corporate mass and address.	ik wa wi osaninas
the defect or mencomplishes is in a component or estably purchased from a sep- policy by exeparate name and address.  Welding performed by: High Tech Precision Plastics, 220	
the defect or naneumplimuce is to a component or assumbly purchased from a sup- police by corporate usus and address.	specifications

# IV. Previde fin Chronology in Determining the Defect/Neucompliance

ľ	the recall is for a defect, complate item 6, otherwise item 7.	OIE-018 (06)
ÇŢ.	With respect to a defect, fermish a circumological summary (including dates) unto that were the basis for the determination of the defect. The summary similar to, the number of reports, accidents, injuries, fatalities, and warranty	hand include, but not be
	See Attached  With respect to a noncompliance, identify and provide the test results or of der and including dates) on which the noncompliance was determined.	her data (în chronologica)
	N/A	
_		<del></del>
_		
		· · · · · · · · · · · · · · · · · · ·
٠.	Y. Identify the Remedy	hara especia
	Furnish a description of the passurfacturer's remody for the defect or nonco earlies the differences between the recall condition and the remedy.	impliance. Clearly
	AEM will supply a free, easily installed retaining old	ip to prevent
	ingestion of the diaphragm/foam pieces into the thrott	tle body should the
	valve separate.	
_		
	early describe the distinguishing cherecteristics of the remaily component/secolled component/secondly.	sembly versus the
<u>,_</u>	Nylon anap ring installed into interior of existing	valve.
_	· · · · · · · · · · · · · · · · · · ·	
	•	

Montify and describe how and when the recall condition was corrected in production. If the production remady was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

increased in Octo	ober 2000. In addition, in	troduction of th	e remedial
clip will be add	ed to future production as	a precaution so	that in the
highly unlikely	event that new valves break	c, the diaphragm/	foam will no
be ingested into	the throttle body.		
		<del> </del>	<del> </del>
	VI. Identify the Recall School	<del>lule.</del> .	
lealers/retailers, and purch	VI. Identify the Recall School a (with specific dates) for notification nexts. Floore, identify any foresteads	to other manufacture	es, menting the
Formish a schedule or agend Josiers/retailers, and purchs recall.	a (with specific dates) for notification	to other manufacture	rs, menting the
lealers/retailers, and purch	a (with specific dates) for notification	to other manufacture	rs, menting the
leakers/retailers, and purcha recall.	a (with specific dates) for notification	to other manufacture	rs, menting the
legiers/retailers, and purcha recall.	a (with specific dates) for notification	to other manufacture	rs, menting the
legiers/retailers, and purcha recall.	a (with specific dates) for notification	to other manufacture	rs, menting the
legiers/retailers, and purch recall	a (with specific dates) for notification	to other manufacture	rs, menting the

# VII. Purnish Recall Communications

9. Furnish a final copy of all notices, building, and other communications that reints directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. A DRAFT copy of the notification documents should be submitted to this office by Fax (282-366-7882) for review prior to mailing.

See attached.

Note: These decuments are to be submitted apparately from these provided in accordance with

Part 573.6 requirements.

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# VI. Air Bypass Valve chronology

4/5/01	AEM received call from end user stating that the affected valve had come apart and had bent the throttle body. No accident reported; no injury reported; no fatality reported; no warranty claim made.
4/13/01	AEM received call from end user stating that the affected valve had come apart and that parts had gone into the engine. No accident reported; no injury reported; no fatality reported; no warranty claim made.
4/16/01	AEM received letter from end user stating that the affected valve had come apart and that a component part had been ingested into the throttle body. Report of minor body damage to vehicle. No accident reported; no injury reported; no other damage reported. No fatality reported. Claim made for minor body damage.

# LETTER TO CONSUMERS

Re: AEM part numbers 20-401, 20-402 and 20-403

Air Byoass Valve, sold to consumers between August 2000 and January 31, 2001

#### Dear Consumer:

This letter is to inform you of a voluntary safety campaign by Advanced Engine Management, Inc. (AEM) to remedy a potential problem in AEM Air Bypass Valves sold to consumers between August 2000 and January 31, 2001 and identified by AEM part numbers 20-401, 20-402 or 20-403.

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

#### Defect Description:

Under certain circumstantes, the Air Lyptus Valves constructed pf2 plantic pieces sonically welded together with a silicon dischrage and form spring on the inside) may come apart and, in certain circumstances, the disphra in an ear ban spring may be it gested into the throttle body, sometimes forcing the throttle to stick these open position. This party persont a driving hazard to consumers who have purchased and installed the AHM Air Bypass Valve.

Product Identification:

The subject Air Bypess Value were sold to consumer only between August 2000 and January 31, 2001 and are identified by AEM part manufactor 401, 20 102 or 20 103.

This notice does not in any way relate to the AEM Air Bypass Valves sold to consumers after January 31, 2001, or any AEM products with part numbers other than 20-401, 20-402 and 20-403.

#### Precaution:

The product should be removed or the safety concern corrected immediately.

Consumers who have installed the subject Air Bypass Valves on their automobiles should not drive or operate their vehicles until either the subject Air Bypass Valve has been removed or until a remedial correction has been made.

#### Remedial Action and What You Need to Do:

The subject valve is easily fixed, and ABM will provide a free easy-to-install clip to prevent the diaphragm and/or foam spring from being ingested into the throttle body. AEM will pay for such

remedial repair if the consumer would prefer not to install the clip himself or herself.

AEM has already provided its distributors, free of charge, with remedial clips to correct the potential problem. You may obtain such clips directly from the distributor from whom you purchased the AEM Air Bypass Valve.

You may also obtain the remedial clip directly from AEM. The procedure for consumers obtaining the remedial clip from AEM for installation by the consumer is to call AEM at (310) 484-2322 x500 and request the clip.

The procedure for having the remedial clip installed by other than the consumer: A consumer who has purchased and installed the affected Air Bypans Valve must contact AEM to receive an AEM authorization number for the installation of the remedial clip and a quote from AEM for the flat rate which AEM will pay for such installation.

Also, while the repair/replacement is not necessary for AEM Air Bypass Valves purchased by consumers after January 31, 2001, consumers with any concerns regarding these later-sold units may also obtain the free easy-to-install remedial clip from AEM by following the procedures set forth above.

# If You No Longer Posses, the Bart The Affect Vehicles

If you no longer possess the affected vehicle or the part itself, please contact AEM immediately with information regarding the new owner, so that a transfer of ownership can be documented and efforts can be made to contact the current owner.

AEM reminds its customen and communers that the EM Ail Bypass Valve is designed and intended for use only with the AEM Cold Air Intake systems. Use of the AEM Air Bypass Valve in conjunction with any other system is neither recommended nor warranted and may result in, among other things, malfunction of the AEM Air Bypass Valve.

#### Further Information/Service Problem Help:

For further information, please call AEM at (310) 484-2322 x500, Monday through Friday, between 9:00 a.m. and 5:00 p.m. (PST), visit AEM's website at www.aempower.com, or write to:

Advanced Engine Management, Inc.
Attention: Air Bypass Valve Safety Notice
2205 126th Street, Unit A
Hawthorne, CA 90250

If you believe we have failed or are unable to eliminate or remedy the problem within a reasonable time, please call us or write to us without delay.



You may also call the NHTSA's toll free Auto Safety Hot Line at 888-327-4236 (in Washington, D.C., call 202-366-0123) or write to the NHTSA at:

Administrator
National Highway Traffic Safety Administration (NHTSA)
400 Seventh Street, SW
Washington, DC 20590

We truly regret any inconvenience this may cause you. But since we opened our doors in 1987, our foremost concern has been to provide you with safe, reliable quality performance products. We thank you in advance for your cooperation in this important matter.

Sincerely,

ADVANCED ENGINE MANAGEMENT, INC.

DRAFT 4/23/01

# 01E-018 (2)

# LETTER TO DISTRIBUTORS

Re: AEM part numbers 20-401, 20-402 and 20-403

AEM Air Bypass Valve, sold to you between August 2000 and Nevember 30, 2000

Dear Advanced Engine Management Distributor:

This letter is to inform you of a voluntary safety campaign by Advanced Engine Management, Inc. (AEM) to remedy a potential problem with the AEM Air Bypass Valves sold to you between August 2000 and November 30, 2000 and identified by ABM part numbers 20-401, 20-402 or 20-403.

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

#### Defect Description:

Under certain circumstances, the hir layress Valve monstrates of 2 pastic pieces sonically welded together with a silicon discharge and form spring on the inside) may come apart and, in certain cases, the disphragm and/or form spring may be ingested atto the threatle body, sometimes forcing the throttle to stick in an open position. This may present a driving hazard to consumers who have installed the AEM Air Bypass Valve.

Product Identification:

The subject Air Bypass Valves were softed American Journal of State of Stat

This notice does not in any way relate to the AEM Air Bypass Valves sold by AEM to you after November 30, 2000, sold by you to retailers and/or consumers after January 31, 2001, or any AEM products with part numbers other than 20-401, 20-402 and 20-403.

#### Precaution:

The product should immediately be removed from use or the safety concern corrected immediately.

Consumers who have installed the subject Air Bypass Valves on their automobiles should not drive or operate their vehicles until either the subject Air Bypass Valve has been removed or until a remedial correction has been made.

#### Remedial Action:

The subject valve is easily fixed, and AEM will provide a free easy-to-install clip to prevent the disphragm and/or foam spring from being ingested into the throttle body. AEM will pay, based upon a flat rate, for such remedial repair if the consumer would prefer not to install the clip himself or herself.

ABM will send you, free of charge, a number of the remedial clips equal to the number of ABM Air Bypass Valves you purchased from AEM between August 2000 and November 30, 2001. These clips must immediately be distributed for installation to all those to whom you sold the affected AEM Air Bypass Valves.

The procedure for consumers obtaining the remedial clip directly from AEM: Consumers may also obtain the remedial clip directly from AEM by calling (310) 484-2322 x500 and requesting the clip.

The procedure for having the remedial clip installed by other than the consumer: A consumer who has purchased and installed the affected Air Bypass Valve must contact AEM to receive an AEM authorization number for the installation of the remedial clip and a quote from AEM for the flat rate which AEM will pay for such installation.

Also, while the repair is not necessary to AEM Air Sypset Valves curchased by consumers after January 31, 2001, consumers with any conference and ingluese later sold units may also obtain the free easy-to-install remedial clip from AEM by following the procedures set forth above.

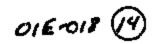
#### Customer Notification:

All of your customers and all computers, purchases, resellers, eveners, etc. of the affected AEM Air Bypass Valve must immediately be notified of the problems reported in regard to the affected AEM Air Bypass Valve.

Attached is a letter, which has been reviewed and approved by the National Highway Traffic Safety Administration, from AEM to such consumers. Please send a copy of this letter to all of your affected customers. If you choose not to send the correspondence, then please immediately supply us with a complete list of your customers (with addresses), so that we may contact them directly.

AEM reminds its customers and consumers that the AEM Air Bypass Valve is designed and intended for use only with the AEM Cold Air Intake systems. Use of the AEM Air Bypass Valve in conjunction with any other system is neither recommended nor warranted and may result in, among other things, malfunction of the AEM Air Bypass Valve.

#### For Further Information:



For further information, please call AEM at (310) 484-2322 x500, Monday through Friday, between 9:00 a.m. and 5:00 p.m. (PST), visit AEM's website at www.aempower.com, or write to:

Advanced Engine Management, Inc. Attention: Air Bypass Valve Safety Notice 2205 126th Street, Unit A Hawthorne, CA 90250

You may also call the NHTSA's toll free Auto Safety Hot Line at 888-327-4236 (in Washington, D.C., call 202-366-0123) or write to the NHTSA at:

Administrator
National Highway Traffic Safety Administration (NHTSA)
400 Seventh Street, SW
Washington, DC 20590

We truly regret any incommission that may cause out. But since we obtailed our doors in 1987, our foremost concern has been to provide you with any relies to quality performance products. We thank you in advance for your operation in this important matter.

OIE-018 (5)

# VOLUNTARY SAFETY REPAIR PRESS RELEASE

FOR IMMEDIATE RELEASE

NHTSA Contact: (202) XXX-XXXX

April 17, 2001

AEM Contact; A.M. Rudy (310) 484-2322 x500

# Advanced Engine Management, Inc. and NHTSA Announce Voluntary Repair of Air Bypass Valve

[Los Angeles, CA] [Washington, D.C.] — In voluntary cooperation with the National Highway Traffic Safety Administration (NHTSA), Advanced Engine Management, Inc. (AEM) of Hawthorne, California is voluntarily recalling about 3000 AEM Air Bypass Valves sold to consumers by independent distributors and retailers between August 2000 and January 31, 2001. Under certain circumstances, the Air Bypass Valve (constructed of 2 plastic pieces conically welded together with a silicon diaphragm and beam series on the inners) may come apart and, in certain cases, the diaphragm and/or foam spang may be injected into the throughout, cometimes forcing the throttle to stick in an open position. This may present a driving the ard to configures who have installed the AEM Air Bypass Valve.

AEM has received three reports of the Air Burnss Valve coming apart. One of these reports described possible damage to the vace's prottle body. Another of these reports described the disphragm and/or foam spans being ingested into the threatle body forcing the throttle to stick in an open position. The other of these mosts described the valve coming apart with no resulting damage to the throttle body and no sticking of the throttle. No injuries have been reported.

The recalled Air Bypass Valves are identified by AEM part numbers 20-401, 20-402 or 20-403. The affected valves were sold to consumers only between August 2000 and January 31, 2001.

The subject valve is easily fixed, and AEM will provide all consumers of the AEM Air Bypass Valve with a free easy-to-install clip to prevent the disphragm and/or foam spring from being ingested into the throttle body. However, consumers who have installed the subject Air Bypass Valves on their automobiles should not drive or operate their vehicles until either the Air Bypass Valve is immediately and entirely removed or the remedial clip is installed.

The installation of the remedial clip is a simple procedure that will fully remedy the potential problem. While the remedial measure is not necessary for AEM Air Bypass Valves purchased after January 31, 2001, consumers with any concerns regarding these later-sold units may also obtain the free easy-to-install remedial clip.

Only those AEM Air Bypass Valves identified by AEM part numbers 20-401, 20-402 and 20-403 which were sold to consumers between August 2000 and January 31, 2001 are the subject of this recall. AEM Air Bypass Valves sold after January 31, 2001 are not affected, and consumers of AEM products bearing AEM part numbers other than 20-401, 20-402 and 20-403 need not be concerned.

AEM reminds its customers and consumers that the AEM Air Bypass Valve is designed and intended for use only with the AEM Cold Air Intake systems. Use of the AEM Air Bypass Valve in conjunction with any other system is neither recommended nor warranted and may result in, among other things, malfunction of the AEM Air Bypass Valve.

For further information, consumers should call AEM at (310) 484-2322 x500 between 9:00 a.m. and 5:00 p.m. (PST) Monday through Friday or visit the AEM website at http://www.asmpower.com.

DRAFT 4/23/01

# Weissmann, Wolff, Bergman, Coleman, Silverman & Holmes, LLP

A Limited Liability Parinership Including Professional Corporations

April 27, 2001

Sbanuaz H. Akasander Josephen H. Bernsen Michael Bergmon\* Devid L. Burg Stan Coleman Mitchell Evall\* Alea L. Gradin Benry Holmes\* Steven Katlema Ny so Hasan Lian G. Ebrica Anieni Mandayla\* Iberid B. Microurt Abraham M. Rudy\* Andrew Schmanier Leonrago B. Statabery Todd M. Stern Daniel R. State Julio B. Waldman Reic Walmanno

Of Connel Ira S. Epstein Benald J. Silvernen' Daniel H. Wolff

Profesional Corporation

9665 Wilshire Boulevard. Suite 900 Bevorly Hills. California 90813-2345

Telephone: (818) 888-7868

Page (3)(0) 550-7191

Please Rafty Ty:

#### Via Federal Express

01E-018

10555.5

Kelly Schuler
Defects Analyst
National Highway Traffic
Safety Administration
Office of Defects Investigation
400 Seventh Street, SW NSA-11
Washington, DC 20590

Re:

Advanced Engine Management ("AEM")

Part 573 Report for Air Bypass Valve, Model Nos. 20-401, 20-402, 20-403

Vendor Addresses

#### Dear Kelly:

Per our conversation, enclosed please find for your review the list of vendors for the Advanced Engine Management ("AEM") Air Bypass Valve notice, Model Nos. 20-401, 20-402, 20-403.

Thank you again for your assistance.

Please do not hesitate to call me with any questions. I look forward to hearing from you.

Very truly yours,

anley Merryman, Esq.

Enclosure:

ce: Abraham Rudy, Esq.

# AEM VENDOR LIST

Vendor	Address	Phone
A Shade Darker	3093 Wilian Court, #E, Santa Rosa, CA, 95407	(707)546-2827
A.R.D. Motorsports	693 Palomar Street, #2 Chula Vista, CA 91911	(619)691-8818
Alamo Autosports	1218 Colorado Lane, #C-3 Arlington, TX 76015	(817)860-4300
Altered Atmosphere	12 Meem Avenue, Ste. E Gaithersburg, MD 20877	(301)330-8835
Apex Motorsports	1425 E. University Dr., #107 Tempe, AZ 85281	(480)967-6515
Apex R Motorsports	4648 E. Speedway Tucson, AZ 85712	(520)326-5310
Arrow	686 S. Adams Kansas City, KS 66105	(913)321-8111
Atech Motorsport	1200 Southeast Avenue Tallmadge, OH 44278	(330)630-0255
Atlantic Performance	7308 Atlantic Blvd. Jacksonville, FL 32211	(904)722-3278
Autolink Motorworks	4961 Santa Anita Ave., Sts. A Temple City, CA 91780	(626)279-7122
Automotive Express	2420 E. 28th St., #8 Signal Hill, CA 90806	(562)989-3894
Beaverton Honda	12520 SW Canyon Rd. Beaverton, OR 97005	(503)643-5577
Boulevard Customs	7000 Park Blvd., #A Pinellas Park, FL 33781	(727)547-2488
Boyd's Import	701 W. Riverdale Rd. Ogden, UT 84405	(801)621-2544
Bozz Performance	45499 Industrial Place, #1 Fremont, CA 94538	(510)657-4393
Braman Honda of Palm Beach	5200 Lake Worth Rd. Green Acres, FL 33463	(561)547-5626

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Capitol City Honda	2370 Carriage LP SW,	(360)754-3399
Capitol City House	Olympia, WA 98502	(300)/34-3399
Capitol Honda	745 Capitol Expressway Auto Mall San Jose, CA 95136	(408)445-4400
Car Audio Plus	502 Hackel Dr. Montgomery, AL 36117	(334)260-8700
Car Nutz	13730 Northup Way Bellevue, WA 98005	(425)641-7000
Car Parts FX	P.O. Box 250 Raritan, NJ 08869	(908)534-3120
Carboy	9854 Bissonnet Houston, TX 77036	(713)271-9638
CB Performance	2220 Revere Avenue San Francisco, CA 94124	(415)641-1168
Claws	185-08 Horace Harding Express, Fresh Meadows, NY 11365	(718)539-7068
Competition Parts Warehouse	1140 Campbell Ave. San Jose, CA 95126	(408)243-9800
Cox Import	956 Talbert Blvd. Lexington, NC 27292	(800)470-6511
Darkside Motoring	21758 Devonshire Blvd. Chatsworth, CA 91311	(818)349-6221
David Hobbs Honda	6100 N. Green Bay Ave. Glendale, WI 53209	(414)352-6100
Dealer Direct Services	6346 Farm Bureau Rd. Allentown, PA 18104	(610)391-0205
Diamond Bar Honda	525 S. Grand Ave. Diamond Bar, CA 91765	(909)594-6632
Diamond Star Specialties	3942 Hollyhock San Luis Obispo, CA 93401	(805)541-4483
Direct Line	818 N. Highway A1A, #300 Ponte Vedra Beach, FL 32082	(904)285-3400
Direct Parts	2626 Skyway Drive Grand Prairie, TX 75052	(972)975-4089
Driver's Image	8242 N. McCormik Blvd. Skokie, IL 60076	(847)568-5555

Dynamic Autosports	23901 Remme Ridge Lake Forest, CA 92630	(949)595-8000
East Coast Auto Sport	727 Harrison Ave. Harrison, NJ 07029	(973)485-6900
East Coast Precision Racing	660 Bergen Blvd. Ridgefield, NJ 07657	(201)941-3677
Eastern Auto Sport	159-13 Horace Harding Express, Flushing, NY 11365	(718)461-5483
Ed Napleton Honda	6701 W. 95th St. Oak Lawn, IL 60453	(708)430-0011
Empire Aftermarket	4401 S. Memorial, Ste. G Tulsa, OK 74145	(918)640-9972
Enhanced Performance	479 East U.S. 70 Hwy. Goldsboro, NC 27534	(919)759-0210
Epic Motorsports	7559 Convey Court San Diego, CA 92111	(858)874-8883
Eurosport	330 Coral St. Honolulu, HI 96813	(808)545-1658
Fast As Nutz	822 Green Passage Lane Apex, NC 27502	(919)387-4672
Frisbee's Performance	227 A San Pedro North East Albuquerque, NM 87108	(505)265-1970
Gardena Honda	15541 Western Ave. Gardena, CA 90248	(310)515-5780
GMP	710 Pressley Rd. Charlotte, NC 28217	(704)525-0941
Godfather Customs	3429 Covington Hwy. Decatur, GA 30032	(404)284-9000
Group 5	9210 Dowdy Dr., Ste. C San Diego, CA 92126	(858)693-3278
Honda of Scottsdale	7875 S. Frank Lloyd Wright Scottsdale, AZ 85260	(480)778-2440
Howell Automotive	Route 46 East 3 Mopar Place Keyser, WV 26726	(304)788-5391
Hyperformance Sport Tuning	6129 West Beliot Road Milwaukee, WI 53219	(414)329-1993

Impact Parts	Glen Wild Road Glen Wild, NY 12738	(845)434-3338
Import Sports	512 N. Crain Highway Glenn Burnie, MD 21061	(410)553-6910
Inline Performance	7958-B Cameron Brown Court Springfield, VA 22153	(703)644-1788
Island Motorsports	7235 Orangethorpe Ave. Buena Park, CA 90621	(714)522-7457
JC's Perf/ UPRD	2040 S. Yale St. Santa Ana, CA 92704	(714)751-4312
JD's Off Road	731 N. Bedford Rd. Bedford Hills, NY 10507	(914)666-5337
John Eagle Honda	12602 FM 1960 West Houston, TX 77065	(281)955-6666
Jotek Motorsports Inc.	2518 W. Kingsley Rd., #102 Garland, TX 75041	(972)278-9744
Keystone	Slocum Ave. Exeter, PA 18643	(570)603-2650
King Motorsport	105 East Main St. Sullivan, WI 53178	(262)593-2800
Landspeed	952 E. Baseline, Stc. 105 Mesa, AZ 85204	(480)85 <del>4-4</del> 819
Lane Automotive, Inc.	8300 Lane Drive Watervuet, MI 49098	(616)463-4113
Lightning Motorsports	6960 N. Merchant Ct. Baton Rouge, LA 70809	(225)752-2738
M&M Motor Mall, Inc.	3825 Lake St. Kalamazoo, MI 49048	(616)381-5800
Maximum Velocity	5555 Timberhill Rd., #1 San Antonio, TX 78238	(210)682-1100
Mike Hale Acura	5601 So. State Murray, UT 84107	(801)263-0202
Modern Perf. Racing Products	6239 Corporate Drive Houston, TX 77036	(713)270-8520
Modern Performance	570 Boston Post Road Milford, CT 06460	(203)878-5961

Motorsport Dynamics	2439 Arden Way Sacramento, CA 95825	(916)648-8000
Motorsport Techniques	1428 West Winton Ave. Hayward, CA 94545	(510)783-8383
Murray's	15781 North West 7th Ave. North Miami, FL 33169	(305)687-7297
National Performance Warehouse	4760 N.W. 165 Street Miami, FL 33014	(305)625-7786
Niello Acura Porsche	4609 Madison Ave. Sacramento, CA 95841	(916)334-6300
Nopi	486 Main St. Forest Park, GA 30298	(404)366-4700
Options	985 North Todd Ave. Azusa, CA 91702-1395	(626)812-8322
P&B	709 Two Mile Parkway Goodlettsville, TN 37072	(800)251-2034
Paisley	302 Main Street Hempstead, NY 11550	(516)481-4526
Pann Auto Performance	7960 Ronson Road San Diego, CA 92111	(858)278-7266
Passen Motorsports	1325 Bethel Road Columbus, OH 43220	(614)442-1011
Performance Warehouse	9440 N. Whitaker Rd. Portland, OR 97217	(503)417-5302
Pit Crew	1817 South San Gabriel Blvd. San Gabriel, CA 91776	(626)573-1837
Prime Speed	68 Woodfin Terrace Marblehead, MA 01945	(781)639-6061
Pro-Motion	507 S. Coralridge Place City of Industry, CA 91746	(626)333-1400
Quality Tire	2616 Dynasty Loop Woodbridge, VA 22192	(703)491-9005
R&E Racing	44533 N. Sierra Highway Lancaster, CA 93534	(661)948-7622
R&D Dyno Service	115 E. Gardena Blvd., #1 Gardena, CA 90248	(310)516-1003

R&D Performance	1367 Grantville Lane Asheboro, NC 27203	(336)879-0990
Racers Equipment	580 Waterman Ave. East Providence, RI 02914	(401)438-4309
Racing Zone Auto House	3602 W. Cypress St. Tampa, FL 33607	(813)873-2235
Road Race Engineering	13022 La Dana Court Santa Fe Springs, CA 90607	(562)777-1522
Robocar	2731 East Valley Blvd. West Covina, CA 91792	(626)810-8989
Route 23 Honda	700 Route 23 Pompton Plains, NJ 07444	(973)831-9500
Savas	5061 East Gage Avenue Bell, CA 90201	(323)773-9644
Sharp Precision Instruments	8000 Cooper Ave., #19 Glendale, NY 11385	(718)894-5105
SK Speed	273 Sunrise Highway Rockville Center, NY 11570	(516)766-2225
Sonic Boom	4737 Trenton St. Metaire, LA 70006	(504)885-3288
Southern Performance	13500 U.S. 19 North Clearwater, FL 33764	(727)531-3551
Special Effects	301 Wyoming Blvd., NE Albuquerque, NM 87123	(505)268-2610
Speed and Truck World	1060 West Sunrise Blvd. Fort Lauderdale, FL 33311	(954)760-9922
Speed Concept	20745 S.W. T.V. Hwy. Aloha, OR 97006	(503)356-2222
Speed Image	2325 De La Cruz Blvd. Santa Clara, CA 95050	(408)988-6901
Speed Warehouse	P.O. Box 4658 Hayward, CA 94540	(510)786-3555
Speedline	8722 S. Tacoma Way, #B-B Tacoma, WA 98499	(253)584-8399
Spreen Honda	25050 Redlands Blvd. Loma Linda, CA 92354	(909)796-6955

Stephen Vincel Honda	15532 Manchester Road Ellisville, MO 63011	(800)800-6901
Streetwize	41601 Albrae St. Fremont, CA 94538	(510)623-8898
Team C	16706 Lakewood Blvd. Beliflower, CA 90706	(562)866-3887
Team Speed	14125 NE 20th St., #F Bellevue, WA 98007	(425)641-4144
Tipton Honda	889 Arnele Ave. El Cajon, CA 92020	(619)440-1000
Top Speed	4109 Billy Mitchell Dr. Addison, TX 75001	(972)233-0888
Toysport	1547 W. El Segundo Blvd. Gardena, CA 90249	(323)755-1177
TSR II	13754 Aurora Ave. N. Ste. #E Seattle, WA 98133	(206)386-7757
Twin Cam	1436 Royal Industrial Way Concord, CA 94520	(925)687-5660
Ultima	325 Sunrise Highway Lynbrook, NY 11563	(516)593-3500
Ultra Performance	5839 East Speedway Tucson, AZ 85712	(520)721-8787
UPRD	18108 Redondo Circle Dr. Huntington Beach, CA 92648	(714)842-3338
Val Strough Honda Mazda	P.O. Box 70 Seaside, CA 93955	(831)899-2222
Valencia Acura	23955 Creekside Rd. Valencia, CA 91350	(661)255-3000
Velocity Resources	1440 E. Semoran Blvd. Apoka, FL 32703	(407)464-3820
Vertex Motorsports	1524 East Spring Hill Rd., #F McClean, VA 22102	(703)883-0403
Weseloh Honda	32881 Camino Capistrano San Juan Capistrano, CA 92675	(949)493-9300
Wheel Source	3578 S. Kettering Blvd., #100 Dayton, OH 45439	(770)794-9555

Wheels Plus	10776-B South West 190th St. Miami, FL 33157	(305)254-0554
Wilco	666 University Ave. Rochester, NY 14607	(716)442-7050
Wilco Texas	P.O. Box 31128 Rochester, NY 14603-1128	(800)218-3436

# Weissmann, Wolff, Bergman, Coleman, Silverman & Holmes, LLP

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ngeis Wilshirt Bonismeré Suite 200 Hoverly Mills Calebrana Stoff-2466 Talophona (218) 050-7583 Tal Sal 4318: 550-7191

Plants Bafer To.

April 25, 2001

### Via Facsimile and Federal Express 202-366-7882

10555.5

Kelly Schuler
Defects Analyst
National Highway Traffic
Safety Administration
Office of Defects Investigation
400 Seventh Street, SW NSA-11
Washington, DC 20590

Re:

Advanced Engine Management ("AEM")

Part 573 Report for Air Bypass Valve, Model Nos. 20-401, 20-402/20-403

Envelope for approval

#### Dear Kelly:

Per our conversation, enclosed please find for your review a draft envelope for the Advanced Engine Management ("AEM") Air Bypass Valve notice, Model Nos. 20-401, 20-402, 20-403.

Thank you again for your assistance.

Please do not hesitate to call me with any questions. I look forward to hearing from you.

Very prily yours.

Marryson, Esq.

Enclosure: N

ce: Abraham Rudy, Esq.

245764+1 10555 000.5

# SAMPLE ENVELOPE

[AEM LOGO HERE]
Advanced Engine Management, Inc.
2205 126th Street, Unit A
Hawthorne, CA. 90250

A Shade Derker 3093 Wilian Court, #E Sama Rosa, CA 95407

SAFETY RECALL NOTICE

## Weissmann, Wolff, Bergman, Coleman, Silverman & Holmes, LLP

A Limited Liability Partnership Including Preferenceal Corporations

Jonathan H. Berrana Michael Bergmen" David L. Bury Step Coleman\* Mitchell Evall Alen L. Grodin\* Henry Holmes\* Storon Kattomen\* Wayne Locan Alan G. Eleios\* Aujani Mendevia" David B. Microsci show M. Body Antron Stancator ee B. Steinberg\* Todd M. Stern Daniel II. Blotz Julia B. Waldman Bric Weistmann\*

Shemma H. Alexander

Of Counsil Iru S. Epstein Bounid J. Silverman<sup>a</sup> Dunial H. Wolff

"Profesional Corpocation

9681 Wilshire Boolgeard Buits 900 Heverly Hills California 92219-2945

Tulephene: (810) 858-7866

Ten: (818) 550-7191

Please Belle, To:

### Via Federal Express

May 14, 2001

10555.5

Kelly Schuler
Defects Analyst
National Highway Traffic
Safety Administration
Office of Defects Investigation
400 Seventh Street, SW NSA-11
Washington, DC 20590

Re: NHTSA Identification Number: 910E-018

Advanced Engine Management ("AEM")

Part 573 Report for Air Bypass Valve, Model Nos. 20-401, 20-402, 20-403

Copies of Final Notices

#### Dear Kelly:

Per your instruction, enclosed please find for your files copies of the notice materials sent by AEM to its customers. Thank you again for your assistance.

Please do not hesitate to call me with any questions. I look forward to hearing from you.

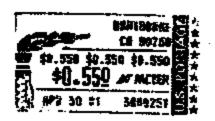
Very truly yours,

shley Merryman, Esq.

Enclosures

ce: Abraham Rudy, Esq.





Advance Auto Accessories 693 Palamar Street #2 Chula Vista, CA 91911 Attention: Robert Yu

**SAFETY RECALL NOTICE** 



Advanced Engine Management Inc. 2205 126<sup>th</sup> Street • Hawthorne, California 90250 (310) 484-2322 • Fax (310) 484-0152

April 26, 2001

# LETTER TO CONSUMERS

Re:

AEM part numbers 20-401, 20-402 and 20-403

Air Bypass Valve, sold to consumers between August 2000 and January 31, 2001

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. AEM has decided that a defect which relates to motor vehicle safety may exist in AEM Air Bypass Valves sold to consumers between August 2000 and January 31, 2001 and identified by AEM part numbers 20-401, 20-402 or 20-403.

This letter is to inform you of a voluntary safety campaign by Advanced Engine Management, Inc. (ARM) to remedy the potential problem in such Air Bypass Valves.

## Defect Description:

Under certain circumstances, the Air Bypass Valve (constructed of 2 plastic pieces semically welded together with a silicon disphragm and foam spring on the inside) may come spart and, in certain circumstances, the disphragm and/or foam spring may be ingested into the throttle body, sometimes forcing the throttle to stick in an open position. This may present a driving hazard to consumers who have purchased and installed the AEM Air Bypass Valve.

### Product Identification:

The subject Air Bypass Valves were sold to consumers only between August 2000 and January 31, 2001 and are identified by AEM part numbers 20-401, 20-402 or 20-403.

This notice does not in any way relate to the AEM Air Bypass Valves sold to consumers after January 31, 2001, or any AEM products with part numbers other than 20-401, 20-402 and 20-403.

#### Precaution:

The product should be removed or the safety concern corrected immediately.

Consumers who have installed the subject Air Bypass Valves on their automobiles should not drive or operate their vehicles until either the subject Air Bypass Valve has been removed or until a remedial correction has been made.

#### Remedial Action and What You Need to Do:

The subject valve is easily fixed, and AEM will provide a free easy-to-install clip to prevent the disphragm and/or foam spring from being ingested into the throttle body. AEM will pay for such remedial repair if the consumer would prefer not to install the clip himself or herself. AEM expects the remedial action should take no longer than 5 minutes to complete.

AEM has already provided its distributors, free of charge, with remedial clips to correct the potential problem. You may obtain such clips directly from the distributor from whom you purchased the AEM Air Bypan Valve.

You may also obtain the remedial clip directly from AEM. The procedure for consumers obtaining the remedial clip from AEM for installation by the consumer is to call AEM at (310) 484-2322 x500 and request the clip.

The procedure for having the remedial clip installed by other than the consumer. A consumer who has purchased and installed the affected Air Bypass Valve must contact AEM to receive an AEM authorization number for the installation of the remedial clip and a quote from AEM for the flat rate which AEM will pay for such installation.

Also, while the repair/replacement is not necessary for AEM Air Bypass Valves purchased by consumers after January 31, 2001, consumers with any concerns regarding these later-sold units may also obtain the free easy-to-install remedial clip from AEM by following the procedures set forth above.

#### If You No Louger Possess the Part or the Affected Vehicle:

If you no longer possess the affected vehicle or the part itself, please contact AEM immediately with information regarding the new owner, so that a transfer of ownership can be documented and efforts can be made to contact the current owner.

AEM reminds its customers and consumers that the AEM Air Bypaes Valve is designed and intended for use only with the AEM Cold Air Intake systems. Use of the AEM Air Bypass Valve in conjunction with any other system is neither recommended nor warranted and may result in, among other things, malfunction of the AEM Air Bypass Valve.

#### Further Information/Service Problem Help:

For further information, please call AHM at (310) 484-2322 x500, Monday through Priday, between 9:00 a.m. and 5:00 p.m. (PST), visit AHM's website at www.sempower.com, or write to:

Advanced Engine Management, Inc.
Attention: Air Bypass Valve Safety Notice
2205 126th Street, Unit A
Hawthome, CA 90250

If you believe we have failed or are unable to climinate or remedy the problem within a reasonable time, please call us or write to us without delay. You may also call the NHTSA's toll free Auto Safety Hot Line at 888-327-4236 (in Washington, D.C., call 202-366-0123) or write to the NHTSA at:

Administrator
National Highway Traffic Safety Administration (NHTSA)
400 Seventh Street, SW
Washington, DC 20590

We truly regret any inconvenience this may cause you. But since we opened our doors in 1987, our foremost concern has been to provide you with safe, reliable quality performance products. We thank you in advance for your cooperation in this important matter.

Sincerely,

ADVANCED ENGINE MANAGEMENT, INC.

Greg Neuwirth President



Advanced Engine Management Inc. 2205 126<sup>th</sup> Street • Hawthorne, California 90250 (310) 484-2322 • Fax (310) 484-0152

April 26, 2001

# LETTER TO DISTRIBUTORS

Re: AEM part numbers 20-401, 20-402 and 20-403

AEM Air Bypass Valve, sold to you between August 2000 and November 30, 2000

This letter is to inform you of a voluntary safety campaign by Advanced Engine Management, Inc. (ARM) to remedy a potential problem with the AEM Air Bypass Valves sold to you between August 2000 and November 30, 2000 and identified by AEM part numbers 20-401, 20-402 or 20-403.

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

#### Defect Description:

Under certain circumstances, the Air Bypass Valve (constructed of 2 plastic pieces sonically welded together with a silicon disphragm and foam spring on the inside) may come apart and, in certain cases, the disphragm and/or foam spring may be ingested into the throttle body, sometimes forcing the throttle to stick in an open position. This may present a driving hazard to consumers who have installed the AEM Air Bypass Valve.

#### Product Identification:

The subject Air Bypass Valves were sold by AEM to you only between August 2000 and November 30, 2000 (and by you to retailers and/or consumers only between August 2000 and January 31, 2001) and are identified by AEM part numbers 20-401, 20-402 or 20-403.

This notice does not in any way relate to the AEM Air Bypers Valves sold by AEM to you after November 30, 2000, sold by you to retailers and/or consumers after January 31, 2001, or any AEM products with part numbers other than 20-401, 20-402 and 20-403.

#### Precaution:

The product should immediately be removed from use or the safety concern corrected immediately.

Consumers who have installed the subject Air Bypass Valves on their automobiles should not drive or operate their vehicles until either the subject Air Bypass Valve has been removed or until a remedial correction has been made.

#### Remedial Action:

The subject valve is easily fixed, and AEM will provide a free easy-to-install clip to prevent the disphragm and/or foam spring from being ingested into the throttle body. AEM will pay, based upon a flat rate, for such remedial repair if the consumer would prefer not to install the clip himself or herself. AEM expects the remedial action should take no longer than 5 minutes to complete.

AEM will send you, free of charge, a number of the remedial clips equal to the number of AEM Air Bypass Valves you purchased from AEM between August 2000 and November 30, 2001. These clips must immediately be distributed for installation to all those to whom you sold the affected AEM Air Bypass Valves.

The procedure for consumers obtaining the remedial clip directly from AEM: Consumers may also obtain the remedial clip directly from AEM by calling (310)  $484-2322 \times 500$  and requesting the clip.

The procedure for having the remedial clip installed by other than the consumer. A consumer who has purchased and installed the affected Air Bypess Valve must contact AEM to receive an AEM authorization number for the installation of the remedial clip and a quote from AEM for the flat rate which AEM will pay for such installation.

Also, while the repair is not necessary for ARM Air Bypass Valves purchased by consumers after January 31, 2001, consumers with any concerns regarding these later-sold units may also obtain the free easy-to-install remedial clip from AEM by following the procedures set forth above.

#### Customer Notification:

All of your customers and all consumers, purchasers, resellers, owners, etc. of the affected AEM Air Bypass Valve must immediately be notified of the problems reported in regard to the affected AEM Air Bypass Valve.

Attached is a letter, which has been reviewed and approved by the National Highway Traffic Safety Administration, from ARM to such consumers. Please send a copy of this letter to all of your affected customers. If you choose not to send the correspondence,

then please immediately supply us with a complete list of your customers (with addresses), so that we may contact them directly.

AEM reminds its customers and consumers that the AEM Air Bypass Valve is designed and intended for use only with the AEM Cold Air Intake systems. Use of the AEM Air Bypass Valve in conjunction with any other system is neither recommended nor warranted and may result in, among other things, malfunction of the AEM Air Bypass Valve.

#### For Further Information:

For further information, please call AEM at (310) 484-2322 x500, Monday through Friday, between 9:00 a.m. and 5:00 p.m. (PST), visit AEM's website at www.aempower.com, or write to:

Advanced Engine Management, Inc. Attention: Air Bypass Valve Safety Notice 2205 126th Street, Unit A Hawthorne, CA 90250

You may also call the NHTSA's toll free Auto Safety Hot Line at 888-327-4236 (in Washington, D.C., call 202-366-0123) or write to the NHTSA at:

Administrator
National Highway Traffic Safety Administration (NHTSA)
400 Seventh Street, SW
Washington, DC 20590

We truly regret any inconvenience this may cause you. But since we opened our doors in 1987, our foremost concern has been to provide you with safe, reliable quality performance products. We thank you in advance for your cooperation in this important matter.

Sincerely,

ADVANCED ENGINE MANAGEMENT, INC.

Greg Neuwirth President